IN THE

Supreme Court of the United States

October Term, 1941

No. 587

J. F. Reich, Doing Business as Automotive Products Company,

Petitioner,

vs.

Champion Spark Plug Company, a Corporation,

Respondent.

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

Wilber Owen,
Carl F. Schaffer,
1601 Nicholas Bldg., Toledo, Ohio,
Attorneys for Respondent.

TOPICAL INDEX

Page

Respondent's Statement of Case..... 1

1. Facts Omitted by Petitioner..... 1

2. Facts Misstated by Petitioner..... 4

Argument..... 5

1. The Decision Below Is Not in Conflict with the Decisions of this Court..... 5

2. The Decision Below Raises No Important Question of Federal Law Not Previously Settled by this Court..... 8

3. The Petition Presents No Ground for the Exercise of the Supervisory Power of this Court.... 9

Conclusion..... 10

CASES CITED

Prestonettes, Inc., vs. Coty, 264 U. S. 359, 368-9....6, 7, 10

Howe Scale Co. vs. Wycoff, 198 U. S. 118..... 8

Kellogg Co. vs. National Biscuit Co., 305 U. S. 111.... 8

Old Dearborn Distributing Company vs. Seagrams-Distillers Corp., 299 U. S. 183..... 10

IN THE

Supreme Court of the United States

October Term, 1941

No. 587

J. F. Reich, Doing Business as Automotive Products Company,

Petitioner,

vs.

Champion Spark Plug Company, a Corporation,

Respondent.

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

RESPONDENT'S STATEMENT OF THE CASE

1. Facts Omitted by Petitioner

This is an ordinary suit for trade-mark infringement and unfair competition. The following matters, omitted in the statement of the case in the petition, are believed material to a consideration of the reasons relied on by petitioner for allowance of the writ and of respondent's argument with respect thereto.

Respondent, Champion Spark Plug Company, is a well known manufacturer of spark plugs. It has manufactured

and sold spark plugs continuously since about the year 1907. During all of that period it has used the trade-mark "Champion" to identify its product. Prior to the institution of this suit (1938) respondent had sold approximately six hundred and fifty million spark plugs bearing the "Champion" trade-mark.

While respondent's plugs are used in internal combustion engines generally, their principal use has been in the engines of automobiles. A large percentage of the sales are made to individual car owners, through the usual channels of trade, such as garages and service stations, where the new plugs are installed by the mechanic who makes the sale and the old plugs are discarded as junk. The motorist pays not over sixty-five cents for new Champion spark plugs installed in the engine of his car, and no allowance is made for the defective plugs then removed.

It is at this point that the activities of the petitioner begin. He secures these discarded spark plugs at a cost of two or three cents each, subjects them to a series of so-called "repairing" or "reconditioning" treatments, the effect of which is to give them an appearance of newness, and sells them to garages and service stations for resale to the motoring public as "Champion" spark plugs.

The District Court found that petitioner's plugs have been so altered through use and petitioner's operations that two of the patented features and other functional features of respondent's new plugs are no longer present and that they "are in fact no longer 'Champion' spark plugs as that term is used by plaintiff and known to the motoring public." (R. 345, Findings 14-17). The Court of Appeals adopted such findings and quoted them in the opinion, as follows:

> "1. 'Defendant did not prior to * * * September 24, 1938, and does not now restore his said spark plugs to their original condition and they could not

then and cannot now truthfuly be referred to as "reconditioned" plugs nor as "Champion" plugs of the type number marked thereon by plaintiff.

"2. 'The spark plugs which defendant * * * now stamps as "Repaired" Champion spark plugs have been so changed in functional features from their original dimensions as they were manufactured and sold by plaintiff that they have ceased to have several of the distinctive mechanical and functional features which characterize new "Champion" spark plugs and are in fact no longer "Champion" spark plugs as that term is used by plaintiff and known to the motoring public.'

"3. A patented feature involving the use of flat parallel faces on the adjacent portions of the center and side electrodes of plaintiff's spark plugs 'has been entirely destroyed either through long usage or by defendant's operations.'

"4. 'Another patented feature * * * relating to the shape of the firing end of the insulator, and for which plaintiff claims important advantages in heat control and regulation between the several portions of spark plug core,' has been destroyed by sandblasting.

"5. The skirt or semi-petticoat end of the ceramic insulator, a feature of functional importance in all 'Champion' spark plugs, has also 'been destroyed in defendant's spark plugs'."

The record further discloses that petitioner's plugs bearing respondent's trade-mark are sold to motorists when new "Champion" spark plugs are asked for, at prices ranging from 35c to 65c each and averaging 48c each on one investigation and 41c each on another; also that the quality and condition of such plugs has been otherwise misrepresented. (R. 346, 347, Findings 19, 20.)

The record further shows that petitioner's spark plugs so closely resemble new Champion spark plugs that the ordinary purchaser cannot tell the difference from an examination of them.

In addition to the foregoing there are many other pertinent collateral facts in the record, exceeding four hundred printed pages, which require examination and discussion for a consideration of the merits of the case, but which for the purposes of this brief will not be reviewed.

2. Facts Misstated by Petitioner

The "Questions Presented," page 4 of the petition, contain fact statements which are misleading, if not deliberately deceptive. They give the impression—

(a) That the Court of Appeals required petitioner to conceal the identity of his spark plugs from the buying public, whereas the opinion expressly states that the decree as ordered "will not prevent the defendant * * * from printing a truthful explanatory statement as to the origin of the plugs upon the cartons." (R. 446.)

(b) That plaintiff did not challenge the finding of the District Court that defendant's method of marking the word "Repaired" on the plugs and of printing a notice on the cartons, as proposed in defendant's amended motion (R. 247), constitutes a sufficient notice to the purchasing public, without removal of plaintiff's trade-mark; whereas paragraphs numbered 8 and 9 of plaintiff's "Statement of Points on Appeal" (R. 358) specifically challenged the failure of the District Court to deny defendant's said motion and its refusal of an injunction because of the changes in defendant's practices proposed by said motion.

(c) That defendant's spark plugs have merely "lost some of the high qualities of plaintiff's new plugs," whereas the District Court found that defendant's plugs "have ceased to have several of the distinctive mechanical and functional features which characterize new 'Champion' spark plugs and are in fact no longer 'Champion' spark plugs as that term is used by plaintiff and known to the motoring public." (R. 444.)

ARGUMENT

The legal points raised by the petition will be briefly discussed under the following headings—

1. The decision below is not in conflict with the decisions of this court.

2. The decision below raises no important question of federal law not previously settled by this court.

3. The petition presents no ground for the exercise of the supervisory power of this court.

1. The Decision Below is Not in Conflict with the Decisions of this Court

We have already pointed out that petitioner has not correctly presented the questions involved. The "Reasons Relied on for Allowance of the Writ" are likewise faulty in that it is not stated therein, nor elsewhere in the petition or accompanying brief, that respondent conceded and the Court of Appeals expressly held that petitioner may use the word "Champion" in an explanatory statement which discloses the truth as to the origin of his plugs and in which such word is not given particular prominence.[1] The court below did not rule, as stated by petitioner, that the identity

---

[1] Respondent's concession is stated as follows in the opinion of the court below (R. 441, 442):

> "Plaintiff concedes that defendant has a right to deal in the physical property of discarded spark plugs apart from the trade-mark 'Champion' and to make some collateral use of the word 'Champion' in an explanatory statement which discloses the truth as to the origin of the plug and in which such word is not given particular prominence."

After finding that "since defendant's spark plugs are no longer 'Champion' plugs they should not be sold bearing the original trade-mark," and that "defendant is guilty of infringement when he stamps the trade-mark 'Champion' on the carton, and of unfair competition when he stamps plaintiff's type number thereon," the opinion continues (R. 446):

> "Such a decree will not prevent the defendant from using his own trade-marks or type numbers, nor from *printing a truthful explanatory statement as to the origin of the plugs upon the cartons.*"*

*All emphasis in this brief is ours unless otherwise indicated.

of the original manufacturer must be "concealed" and did not restrain petitioner from "telling the truth" about his product.

Under the facts stated by petitioner, as supplemented by our statement herein,[2] there is no legal question presented for review or consideration by this court. In view of the fact finding that the discarded spark plugs dealt in by petitioner are no longer "Champion" plugs as that term is used by respondent and known to the public, it is obvious that the word "Champion" can not lawfully be used as the trade-mark for same, but can only be used in a collateral statement such as that approved by this court in *Prestonettes, Inc., vs. Coty*, 264 U. S. 359, upon which petitioner mainly relies. Respondent has neither sought nor obtained relief which extends beyond that which was there granted.

In the *Coty* case, defendant purchased new and genuine face powders and perfumes of plaintiff's original manufacture and attempted to sell them under plaintiff's trade-marks after rebottling the perfumes in smaller bottles and after adding a binder to the face powder and pressing it into a solid disc. The District Court entered a decree, later approved by this court, which permitted defendant to use the words "Coty" and "L'Origan" **in a descriptive sense**, by making collateral reference to the fact that defendant was selling plaintiff's altered goods but which did not permit the use of the words as trade-marks "to indicate the goods." It permitted defendant to put upon the rebottled perfume the following label:

> "Prestonettes, Inc., not connected with Coty, states that the contents are Coty's (giving the name of the article), independently rebottled in New York, every word to be in letters of the **same size, color, type and general distinctiveness.**"

---

(2) Were this an argument on the merits we would take direct issue with the statements that petitioner restores the plugs to usefulness (Petition, p. 2) and that there is no evidence of deception of the public (Petitioner's Brief, p. 11).

It also permitted defendant to sell the face powder under similar labels. Upon sustaining the decree of the District Court, this court, by Mr. Justice Holmes, stated (p. 367):

> "If the name of Coty were allowed to be printed **in different letters** from the rest of the description dictated by the District Court a casual purchaser might look no further and might be deceived. But when it in no way **stands out** from the statement of facts that unquestionably the defendant has a right to communicate in some form, we see no reason why it should not be **used collaterally not to indicate the goods,** but to say that the trade-marked product is a constituent in the article now offered as new and changed. As a general proposition there can be no doubt that the word might be so used."

That the court below applied the law of the *"Coty"* case to the facts of this case is clearly apparent from at least three passages in its opinion where direct reference was made to that case, as follows:

> "But the purchaser of the goods does not acquire ownership of the trade-mark; and he cannot sell such goods bearing the manufacturer's trade-mark after he has changed or altered the goods so that they no longer represent the original character and excellence which the trade-mark indicates. *Prestonettes, Inc., vs. Coty,* 264 U. S. 359, 368; * * *." (R. 443.)

> "The owner of a trade-mark cannot complain of the resale of the repaired, altered or changed goods by the purchaser when accompanied with a truthful statement of the source from which they were derived, provided the purchaser does 'not use the trade-mark in doing so.' *Prestonettes, Inc., vs. Coty, supra,* at page 368." (R. 444.)

> "Clearly the trade-mark left where it was placed by the plaintiff 'indicates the goods' of plaintiff, and 'a casual purchaser might look no further and be deceived.' *Prestonettes, Inc., vs. Coty, supra,* pp. 368-9." (R. 445.)

The remaining two decisions of this court cited by petitioner as being applicable and in conflict with the decision below scarcely require comment. They are *Howe Scale Co. vs. Wyckoff*, 198 U. S. 118, and *Kellogg Co. vs. National Biscuit Co.*, 305 U. S. 111. Both cases involved the use of non-technical trade-marks, the one a family name (Remington) and the other a descriptive term (Shredded Wheat). In neither case did the mark in question "indicate the goods" of the plaintiff because neither mark was subject to exclusive adoption or use as a trade-mark.[3]

2. The Decision Below Raises No Important Question of Federal Law Not Previously Settled by This Court.

In arguing that he should be permitted to retain respondent's trade-mark "Champion" on his altered plugs, petitioner states (p. 18):

> "It was still a Champion spark plug when it found its way to the junk heap from which defendant reclaimed it and it is still a Champion spark plug after defendant has repaired it."

As previously pointed out herein, this is in direct conflict with the facts found by the District Court and quoted in the opinion of the appellate court.

Petitioner urges that the effect of the decision below is that no one may repair and resell a used, trade-marked article without destroying the best evidence of its identity and that the right of the public to have convincing evidence on this point is important. This argument would have been much more pertinent in the *"Coty"* case, where the court assumed that the defendant resold plaintiff's new and unused product "without in any way injuring its qualities."

---

[3] In the proceedings below petitioner did not question respondent's ownership of the "Champion" trade-mark, which is duly registered under the laws of the United States. (See registrations appearing in record, pp. 28-31.)

Nevertheless, it held that the marks of the original manufacturer should only be used collaterally to state that the goods comprised the altered products of the plaintiff, and not as trade-marks to indicate that the altered products were the goods of the plaintiff.

Furthermore, since the courts below found as a fact that the spark plugs which petitioner sells have been so changed in functional features (although not in appearance) that they are in fact no longer "Champion" spark plugs, there is no basis for the contention that in denying petitioner the right to use plaintiff's trade-mark **to indicate his goods,** but permitting its use **collaterally,** the court below decided a question of law that has not been settled by this court.

3. The Petition Presents No Ground for the Exercise of the Supervisory Power of This Court

We know of no decision, and indeed there is none, which holds that a valid trade-mark may be appropriated by one not the owner as the name of his goods, provided he accompanies such use with a subordinate explanation. Petitioner's right, as held by the court below, is not even affected, much less governed, by the fact that the trade-mark was originally placed on the plugs of the petitioner by respondent. It having been found as a fact that the plugs sold by petitioner have been so altered that they cease to have the distinctive mechanical and functional features which characterize new "Champion" spark plugs, the Court of Appeals correctly held the use of that mark on petitioner's plugs to be unlawful, and there is no established rule of trade-mark law or of unfair competition at variance with such holding.

As this court recently had occasion to remark, in another connection, with respect to the distinction between a commodity and the trade-mark which it bears:[4]

> "* * * We are here dealing not with a commodity alone, but with a commodity **plus the brand or trade-mark** which it bears as evidence of its origin and of the quality of the commodity for which the brand or trade-mark stands. Appellants own the commodity; they do not own the mark or the good will that the mark symbolizes."

CONCLUSION

The three reasons relied on by petitioner for the granting of the writ are believed to be unfounded. Based upon the facts as found and applied by the courts below, this case is clearly within the established doctrine of applicable trade-mark cases, as typified by the decision of this court in *Prestonettes, Inc., vs. Coty.*

Respectfully submitted,

WILBER OWEN,
CARL F. SCHAFFER,
Attorneys for Respondent.

Encl.

---

[4] *Old Dearborn Distributing Company vs. Seagrams-Distillers Corp.*, 299 U. S. 183.